



May 17, 2006

BY HAND-DELIVERY

Mary L. Cottrell, Secretary
Massachusetts Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Petition of Bay State Gas Company, Pursuant to 220C.M.R. § 1.04(5), for approval by the Department of Telecommunications and Energy of a proposal to implement an incremental capacity planning standard for grandfathered customers and approval of related modifications to Bay State Gas Company tariffs M.D.T.E. No. 35, Distribution and Default Service Terms and Conditions, and M.D.T.E. No. 36, Cost of Gas Adjustment Clause. D.T.E. 06-36

Comments of Fitchburg Gas and Electric Light Company d/b/a Unitil

Dear Secretary Cottrell:

As provided for in the Notice issued on May 1, 2006, Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil") submits the following comments to the Department of Telecommunications and Energy ("Department") concerning Bay State Gas Company's ("Bay State") "Motion For Approval Of System Protection Planning Standard For Grandfathered Overtakes" ("Motion").

As an initial matter, Unitil takes no position on the merits of Bay State's proposal to the extent its implementation is restricted to Bay State. Unitil's sole concern in this docket is whether, in acting upon Bay State's Motion, the Department would broadly adopt or apply all or portions of Bay State's proposal to all Local Distribution Companies ("LDCs").

The Department has previously defined a "grandfathered transportation customer" to be any customer who was either taking

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transportation service from its local distribution company ("LDC") on or prior to February 1, 1999, or had a written request filed with its LDC on or before that date for exemption from the mandatory assignment of interstate pipeline capacity. See Gas Unbundling, DPU 98-32-C (1999). Unitil has advised the Department that it has no such "grandfathered" customers. Unitil does, however, have new customers that take service from third party suppliers and thus do not have any capacity assigned from the company. See Unitil's Response to the letter dated September 27, 2005, from the General Counsel of the Department of Telecommunications and Energy ("Department"), requesting information on the status of grandfathered transportation customers. (A copy is attached for your convenience.)

In its Motion, Bay State states that it permits certain customers to be "grandfathered" from the rules requiring mandatory capacity assignment: (1) any customer on firm transportation service as of February 1, 1999; and (2) any customer that commences service initially on a firm transportation rate. (Motion at page 5; See also Testimony of Joseph A. Ferro at page 1, footnote 1.)

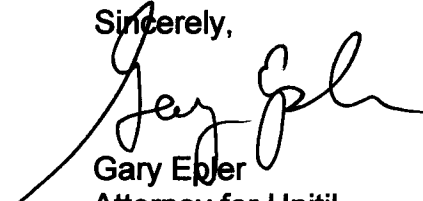
Unitil requests that in this docket, regardless of the merits of Bay State's proposal, the Department not broadly extend to all LDCs a definition of "grandfathered" status to include customers that went to third party supply directly, and who, consistent with the agreed terms in DTE 98-32, are not capacity assigned. Since February 1, 1999, customers (and their suppliers) have been provided sufficient notice of the risks they face if they choose to go directly to third-party supply and do not incur capacity obligations from their LDC. The Department's ruling in this regard and the LDCs' tariffs are clear that these non-capacity assigned customers shall be evaluated as "new customers" should they desire to take firm supplier service from their LDC. It is Unitil's expectation that many of its current non-capacity assigned customers may pass the new customer evaluation, and thereby become firm sales customers, but it is possible that some may not. Unitil would first seek to protect reliable service to its current firm sales and capacity-assigned customers in the course of evaluating whether to take on a firm transportation customer as a firm sales customer, should the firm transportation customer's supplier fail to deliver gas supply to Unitil or should the customer fail to contract for gas supply.

Unitil has a small number of non-capacity assigned customers, and has the ability to monitor these customers' gas takes, and is able to curtail or shut off supply if their suppliers did not perform where the result could jeopardize service to Unitil firm sales customers.

Unitil will monitor the proceedings in this docket and may determine to submit additional comments should circumstances justifying such a submission arise.

Thank you for your attention to this matter.

Sincerely,



Gary Epler
Attorney for Unitil

Enclosure

cc: John Cope-Flanagan, Hearing Officer
Julie Howley Westwater, MDTE
George Yiankos, Director, Gas Division, MDTE
Andreas Thanos, Assistant Director, Gas Division, MDTE
Cynthia Bradbury, MDTE
Rebecca Hanson, MDTE
Colleen McConnell, Assistant Attorney General
Patricia M. French, Esq.
Robert L. Dewees, Jr., Esq.



September 29, 2005

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, Massachusetts 02110

Re: Request for Information Regarding Status of
Grandfathered Transportation Customers

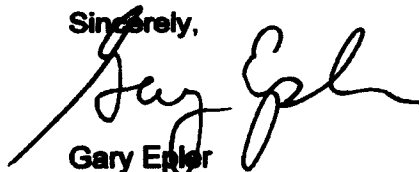
Dear Secretary Cottrell:

On behalf of Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil"), enclosed for filing are the original and nine copies of the company's response to the letter dated September 27, 2005, from the General Counsel of the Department of Telecommunications and Energy ("Department"), requesting information on the status of grandfathered transportation customers.

As stated in the attached responses, Unitil does not have any grandfathered transportation customers, though it does have new customers that take service from third party suppliers and thus do not have any capacity assigned from the Company.

Please do not hesitate to contact me directly if you have any additional questions concerning this matter.

Sincerely,



Gary Epler

Attachment

cc: George Yiankos, Director, Gas Division MDTE (3 copies)
John Cope-Flanagan, Assistant General Counsel (3 copies)
Joseph Rogers, Assistant Attorney General

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Senior Counsel

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Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company d/b/a Unitil
Response to General Counsel's Request for Information

1. Complete the below chart.¹

Response: Unitil has no "grandfathered" customers.

Classification	Number of Customers	Total Annual Throughput
Schools	0	0
Hospitals	0	0
Nursing Homes	0	0
Government Facilities	0	0
Other 1	0	0
Other 2	0	0
Total	0	0

2. Has the Company been contacted by grandfathered customers or the gas suppliers serving them regarding the possibility of these customers returning to the Company's default service during the 2005/06 heating season? If so, please provide copies of all relevant information concerning those written or oral discussions.

Response: No. Unitil has no grandfathered customers

3. During the past five years, has the Company observed a change (please indicate increase or decrease) in the number of gas suppliers serving grandfathered transportation customers? If yes, please provide relevant numbers.

Response: Not applicable

4. Has the Company developed a contingency plan to serve those grandfathered transportation customers that seek to return to default service? If so, please provide copies of the Company's plan.

¹ All responses have been prepared by or under the direction of David K. Foote, Senior Vice-President, FG&E.

**Commonwealth of Massachusetts
Department of Telecommunications and Energy
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Response to General Counsel's Request for Information**

Response: Not Applicable

- 5. Has the Company developed a contingency plan in the event gas suppliers terminate their contracts with Company's grandfathered transportation customers? If so, please provide copies of the Company's plan.**

Response: Not applicable

- 6. Please provide a list of marketers serving grandfathered customers in your service territory.**

Response: Not applicable

PLEASE NOTE: While Unitil does not have any grandfathered transportation customers, it does have new customers that take service from third party suppliers and thus do not have any capacity assigned from the Company.